

Statement of Power Companies Challenging EPA's ACE Rule

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Today, a coalition of some of the nation's largest electric utilities, including the largest municipal utility, state power authority, and combined electric and gas utility, filed a petition for review in the D.C. Circuit Court of Appeals to challenge the Environmental Protection Agency's (EPA) Affordable Clean Energy (ACE) Rule and repeal of the Clean Power Plan.

The coalition consists of Consolidated Edison, Inc., Exelon Corporation, Los Angeles Department of Water & Power, National Grid USA, New York Power Authority, Pacific Gas and Electric Company, Public Service Enterprise Group Incorporated, Sacramento Municipal Utility District, and Seattle City Light. With operations spanning 49 states and the District of Columbia, the coalition members collectively serve over 23 million customer accounts (estimated at over 50 million people) and own or operate over 84,000 megawatts of generating capacity from an increasingly diverse set of resources, including coal, oil, natural gas, nuclear, wind, and solar.

These companies are challenging EPA's decision because it is premised upon the erroneous conclusion that the Clean Air Act commands that the best system of emission reduction must be limited to only those measures that can be applied at or to an existing source. This interpretation excludes measures that EPA has historically allowed the power sector to use to reduce its emissions more cost effectively under both prior Republican and Democratic administrations, such as emissions trading, averaging and increasing generation from lower-emitting sources. Due to the interconnected nature of the electricity grid, the power sector is uniquely suited to utilization of such measures and EPA's elimination of them from consideration will only result in fewer reductions at higher costs to the industry and customers.

The members of the coalition are committed to reducing emissions of greenhouse gases by increasing their reliance upon renewable and other zero-emitting resources to meet customer demand and to improve the reliability and resiliency of the electric grid. Because EPA's decision fails to acknowledge the ways in which they and others within the power sector have already reduced their carbon emissions while maintaining reliability, the coalition members are challenging the decision and seeking to have it overturned.